C9700-3

THE WEEKLY OF BUSINESS AVIATION

Vol. 40 No. 2 January 14, 1985 Page 9

INSIDE

GA Accident Rate Down in '84 . . . . . Page 10

American Central Resumes Service. . . .Page 11

DOC Predicts GA Sales Increase . . . . . .Page 12

December Shipments and Billings . . . Page 13

Business Aviation Briefs . . . . . Page 14

DAVE COLLOGAN/EDITOR
KATHRYN BLEDSOE/ASSISTANT EDITOR
1156 15th STREET, N.W./WASHINGTON, D.C. 20005
PHONE: (202) 822-4600/TELEX: 89-2447

GAMA SEES SLOW GROWTH IN '85

Manufacturers of general aviation aircraft turned the corner last year and slow, but consistent growth is seen for the next five years, the industry's trade group said last week. General Aviation Manufacturers Association (GAMA) President Ed Stimpson predicted that "1983 and 1984 will be remembered as the bottom of the slump. There will be slow months in early 1985, but '85 will be a good year." Although forecasting "steady improvement" during the next five years in aircraft shipments and billings, Stimpson would offer "no long-term projections," suggesting they've always been wrong in the past. "We're not looking for another year of 18,000 units in the near future," he told a Washington press conference.

Enduring the lingering effects of the 1981-1982 recession, the GA manufacturers reported total billings of just under its earlier $1.7 billion forecast for calendar 1984, a 15.6 percent increase over the previous year. Unit shipments continued to lag however, with a total of 2,438 falling 9.4 percent behind 1983's 2,691 shipments. Jets and turboprops were again the bright spots, combining for 83 percent of last year's dollar volume. Fifty-seven percent was accounted for by jets alone, deliveries of which were up 20 percent (171 units) over the previous year.

Tax Reform Proposal "Ominous"

Other bright spots, according to Stimpson, included an increase in business flying activity, regional/commuter aircraft sales and an active used-aircraft market. Used-aircraft sales traditionally rebound six months to a year ahead of those of new aircraft.

The GAMA forecast for 1985 calls for a dollar volume of between $1.8 and $1.9 billion based on the delivery of about the same number (2,438) of aircraft units. The industry faces several significant problems, however, said GAMA Chairman Frank Adams, who also is president of the Bendix (Allied Corp.) Aerospace Sector. The "most ominous," he said, is the Treasury Department's tax reform proposal that would eliminate the 10-percent investment tax credit (ITC) and stretch out the depreciation schedule (ACRS) for aircraft from five to 12 years. "Our industry has been sustained during these trying times by the ability of companies to invest in business aircraft. That demand would inevitably wane if the . . . ITC and ACRS were to be denied," he said *(BA, Dec. 17/193).*

Additional Concerns

Other concerns include pending Congressional action of the fiscal 1986 budget, which could impact the five-year authorization program for airport/airway modernization; product liability legislation, reintroduced in the 99th Congress, that establishes uniform standards to replace "widely disparate" state statutes in effect today and "restore some sanity in our claims courts;" and, unfair trade practices. "Unrecouped foreign development and production subsidies and subsidized export financing undermine our competitiveness both at home and abroad, and foreign tariff and non-tariff barriers deny us access to certain markets while our U.S. market is wide open," he said (GAMA's Stimpson is scheduled to join a U.S. trade mission to Brazil in February). Despite some major consolidations of plant and equipment among the major aircraft manufacturers and some significant losses over recent years, Stimpson said, "Our companies have made progress in returning to profitability. And this remains a major challenge for 1985."

PUBLISHED BY THE BUSINESS PUBLICATIONS DIVISION OF ZIFF-DAVIS PUBLISHING CO. COPYRIGHT © 1985 ZIFF-DAVIS PUBLISHING CO. ALL RIGHTS RESERVED. REPRODUCTION IS STRICTLY PROHIBITED. SUBSCRIPTIONS: ONE YEAR $210. SIX MONTHS $125.

BUSINESS/PERSONAL AIRCRAFT INDUSTRY – DECEMBER UNIT SHIPMENTS

		Dec. 84	Cal. Year
BEECH AIRCRAFT CORP.			
• Single-Engine			
BE-77	Skipper	0	0
BE-C23	Sundowner	0	4
BE-C24R	Sierra	0	2
BE-F33A	Bonanza	3	29
BE-V35B	Bonanza	0	5
BE-A36	Bonanza	5	93
BE-B36TC	Bonanza	1	35
• Multi-Engine			
BE-B55	Baron	0	4
BE-E55	Baron	1	6
BE-56	Baron	5	53
BE-58TC	Baron	0	0
BE-58P	Baron	1	30
BE-76	Duchess	0	0
BE-B60	Duke	0	0
BE-C99	Airliner	0	9
BE-C90-1	King Air	2	30
BE-F90-1	King Air	2	15
BE-B100	King Air	5	5
BE-300	King Air	0	2
BE-200	Super King Air	1	31
BE-C99	Commuter	2	3
BE-200C	Super King Air	0	1
BE-300	Super King Air	0	22
BE-200T	Super King Air	0	2
BE-1900	Commuter	1	1
BE-1900C	Commuter	6	29
TOTAL		35	411
Manufacturers net billing – $43,518,492			
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream 31	1	22
HS-748		4	8
BAe 146-100		0	1
BAe 146-200		0	6
HS-125-700	Model A	0	2
HS-125-700	Model B	0	6
HS-125-800	Model A	1	11
HS-125-800	Model B	0	4
TOTAL		6	60
PILATUS BRITTEN-NORMAN LTD.			
• Multi-Engine			
BN-2B	Islander	1	7
BN-2T	Islander	2	5
Mark III	Trislander	0	1
TOTAL		3	13
CANADAIR LIMITED			
• Multi-Engine			
CL-600	Challenger	2	4
CL-601	Challenger	1	17
TOTAL		3	21
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-152		6	86
CE-A152	Aerobat	0	1
CE-172	Skyhawk	24	188
CE-172	Cutlass	0	8
CE-172RG	Cutlass	0	40
CE-182	Skylane	12	77
CE-182	Turbo Skylane	1	8
CE-182RG	Skylane RG	0	23
CE-182RG	Turbo Skylane RG	1	24
CE-185	Skywagon	5	22
CE-U206	Stationair 6	2	52
CE-TU206	Turbo Stationair 6	2	44
CE-207	Stationair 8	1	17
CE-TU207	Turbo Stationair 8	0	2
CE-210	Centurion	2	29
CE-T210	Turbo Centurion	2	56
CE-P210	Pressurized Centurion	0	19
CE-188	AgHusky	0	1
CE-188	AgTruck	0	5
• Multi-Engine			
CE-303	Crusader	15	65
CE-335		0	0
CE-340		1	11
CE-402		1	11
CE-404	Titan	0	0
CE-414	Chancellor	0	16
CE-421	Golden Eagle	0	11
CE-425	Conquest I	2	18
CE-441	Conquest II	3	11
CE-500	Citation I	3	9
CE-550	Citation II	8	42
CE-650	Citation III	5	50
CESSNA/REIMS AVIATION			
• Single-Engine			
CE-F152		0	8
CE-F152	Aerobat	0	0
CE-F172	Skyhawk	1	20
CE-FR172	Hawk XP	0	0
CE-F182	Skylane	1	1
CE-F182RG	Skylane RG	0	3
TOTAL		98	978
Manufacturers net billing – $74,628,095			
AVIONS-MARCEL DASSAULT			
• Multi-Engine			
AD-My.10	Falcon	1	1
AD-My.20	Falcon	1	1
AD-My.200	Falcon	0	10
AD-My.50	Falcon	0	13
TOTAL		2	25
DEHAVILLAND AIRCRAFT OF CANADA			
• Multi-Engine			
DHC-5		0	1
DHC-6		0	14
DHC-7		1	11
DHC-8		1	7
TOTAL		2	33
EMBRAER			
• Single-Engine			
EMB-200		0	0
EMB-201	Ipanema	1	18
EMB-710	Carioca (PA-28-235 Dakota)	0	0
EMB-711	Corisco (PA-28RT-201 Arrow)	4	20
EMB-712	Tupi (PA-28-181 Archer II)	0	8
EMB-720	Minuano (PA-32-310 Seratoga)	2	11
EMB-721	Sertanejo (PA-32R-301 Seratoga)	0	8
• Multi-Engine			
EMB-110P1	Bandeirante	0	5
EMB-110P1A	Bandeirante	0	4
EMB-121	Xingu	0	1
EMB-810D	Seneca II	5	32
EMB-820	Chieftain	0	2
TOTAL		12	109
FAIRCHILD AIRCRAFT CORP.			
• Multi-Engine			
Merlin III-C		0	2
Fairchild 300		0	1
Merlin IV-C		0	3
Metro III		7	23
Expediter		0	0
TOTAL		7	29
Manufacturers net billing – $16,713,073			
GATES-LEARJET			
• Multi-Engine			
LR-25D		2	3
LR-29		0	0
LR-35A		6	12
LR-36A		0	2
LR-55		2	16
TOTAL		10	33
GULFSTREAM AEROSPACE			
• Multi-Engine			
GR-1159A	Gulfstream III	6	38
AE-840	Turbo Commander	0	2
AE-900	Commander 900	0	6
AE-980		0	0

13a

		Dec. 84	Cal. Year
AE-1000		0	4
TOTAL		6	50
Manufacturers net billing – $72,185,000			
ISRAEL AIRCRAFT INDUSTRIES			
• Multi-Engine			
1124	Westwind 1	1	4
1124A	Westwind 2	3	12
TOTAL		4	16
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		1	16
LA-250	Renegade	3	13
TOTAL		4	29
Manufacturers net billing – $607,021			
MAULE AIR INC.			
• Single-Engine			
M-5-180C		4	33
M-5-200		0	0
M-5-235C	Lunar Rocket	0	2
M-6-180C		2	10
MX-735		1	2
M-7-235	Super Rocket	5	17
TOTAL		12	64
Manufacturers net billing – $536,239			
MITSUBISHI			
• Multi-Engine			
Solitaire		0	0
Marquise		1	3
Diamond		1	12
TOTAL		2	15
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201	10	91
M-20K	231	5	60
TOTAL		15	151
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-38-112	Tomahawk	0	1
PA-28-161	Warrior	8	110
PA-28-181	Archer II	17	112
PA-28-236	Dakota	0	27
PA-28-201T	Turbo Dakota	0	1
PA-28RT-201	Arrow IV	5	5
PA-28RT-201T	Turbo Arrow IV	0	18
PA-32-301	Saratoga	3	23
PA-32-301T	Turbo Saratoga	1	7
PA-32R-301	Saratoga SP	4	22
PA-32R-301T	Turbo Saratoga SP	5	28
PA-46-310P	Malibu	10	100
• Multi-Engine			
PA-31-310	Navajo	0	2
PA-31-325	Navajo C/R	0	5
PA-31-350	Chieftain	2	17
PA-31P-350	Mojave	3	17
PA-31T-501T	Cheyenne I	0	0
PA-31T-501T	Cheyenne IA	1	6
PA-31T-620	Cheyenne II	2	2
PA-31T2-620	Cheyenne II XL	0	5
PA-42-720	Cheyenne III	1	1
PA-42-720	Cheyenne IIIA	2	15
PA-42-1000	Cheyenne 400LS	5	8
PA-34-220T	Seneca III	8	85
PA-44-180	Seminole	0	4
PA-44-180T	Turbo Seminole	2	11
PA-601B	Aerostar	0	1
PA-601P	Aerostar	1	1
PA-602P	Aerostar	0	6
PA-700P	Aerostar	6	17
PA-T1020		0	1
PA-T1040		0	6
TOTAL		86	664
Manufacturers net billing – $29,404,216			
SHORT BROTHERS LTD.			
• Multi-Engine			
SBJ-CS-7	Skyvan	1	2
SD-3-30		0	4
SD-3-60		6	29
TOTAL		7	35
	SINGLE-ENGINE	160	1,685
	MULTI-ENGINE	154	1,071
	GRAND-TOTAL	314	2,736

UNIT SHIPMENTS COMPARATIVE TREND: 18 MANUFACTURERS

	December			Calendar Year to Date		
	1984	1983	1982	1984	1983	1982
Beech	35	50	49	401	402	526
British Aerospace	6	8	3	60	56	28
Britten-Norman	3	7	2	13	20	18
Canadair	3	3	*	21	27	*
Cessna	98	77	135	978	1,216	2,140
Dassault	2	1	7	25	25	66
De Havilland	2	0	*	33	12	*
Embraer	12	19	13	109	98	181
Fairchild	7	15	13	29	39	49
Gates	10	19	15	33	45	99
Gulfstream	6	9	*	50	68	88
Israel	4	11	*	16	21	18
Lake	4	4	*	29	28	20
Maule Air Inc.	12	1	*	64	2	0
Mitsubishi	2	8	16	15	43	43
Mooney	15	18	20	151	151	188
Piper	86	86	102	664	660	1,043
Short	7	5	2	35	34	15
TOTAL	314	342	379	2,736	2,981	4,563

* Figures not available.

16a

AIRPORT AND AIRWAY TRUST FUND
Status as of Oct. 31, 1984

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	6,440,835,770.41	6,440,835,770.41
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund) :		
Any liquid fuel except gas	7,000,000.00	7,000,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	232,000.00	232,000.00
2. Non-commercial 9 cents tax	2,492,000.00	2,492,000.00
3. Non-commercial 3 cents tax	831,000.00	831,000.00
4. Transp by air,seats,berths,etc.	203,000,000.00	203,000,000.00
Use of international trav fac	8,000,000.00	8,000,000.00
Transp of property and cargo	15,000,000.00	15,000,000.00
Total Tax Receipts	236,555,000.00	236,555,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	0.00
2. Any liquid fuel except gas	0.00	0.00
3. Gasoline -Retailer's tax	0.00	0.00
Total Reimburse for Tax Refunds	0.00	0.00
Net Tax Receipts	236,555,000.00	236,555,000.00
C. Interest on Investments	3,111,531.31	3,111,531.31
Net Receipts	239,666,531.31	239,666,531.31
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	-79.95	-79.95
2. Grants-in-aid for airports	81,293,109.92	81,293,109.92
3. Facilities & equipment	25,905,361.20	25,905,361.20
4. Research engineering & development	16,745,706.34	16,745,706.34
B. NOAA weather services	0.00	0.00
C. Interest on Refund of Taxes	0.00	0.00
Total Expenditures	123,944,097.51	123,944,097.51
IV. BALANCE - END OF PERIOD	6,556,558,204.21	6,556,558,204.21

ASSETS :		
Undisbursed Balances:		
Airport & Airway Trust Fund	28.12	
Operations	3,967.02	
Grants-in-aid for Airports	-18,253,186.71	
Facilities & Equipment	-2,451,851.50	
Research Engineering & Development	-267,752.72	
NOAA weather services	0.00	
		-20,968,795.79
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS :		
11/1-4% maturing June 30, 1985	236,009,000.00	
11/1-8% maturing June 30, 1985	6,104,963,000.00	
11/3-8% maturing June 30, 1985	236,555,000.00	6,577,527,000.00
Total Assets		6,556,558,204.21
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		6,556,558,204.21
Total Liabilities and Equity		6,556,558,204.21

Treasury Department Chart